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**Report of the Secretary-General on the activities of the Office of Internal Oversight Services**

# Inspection of programme management and administrative practices in the Economic Commission for Latin America and the Caribbean

## Note by the Secretary-General*

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the inspection of programme management and administrative practices in the Economic Commission for Latin America and the Caribbean.

2. The Secretary-General takes note of the findings and concurs with the recommendations made in the report, and notes that measures are being taken to correct the issues addressed in the review.

* Finalization of the report was delayed, owing to the unforeseen need to carry out an investigation into allegations that surfaced in the course of the inspection.

# Report of the Office of Internal Oversight Services on the inspection of programme management and administrative practices in the Economic Commission for Latin America and the Caribbean

*Summary*

The inspection of the Economic Commission for Latin America and the Caribbean revealed that the Commission maintains its historic standing of intellectual excellence, pertinent policy advice and effective technical assistance. Many of its products and services are not only considered within the region as standard references in specific subject areas, but have received recognition worldwide. The print and electronic dissemination of outputs, public outreach and information are constantly improving and, in the view of the Office of Internal Oversight Services, among the best in the United Nations system.

It is generally a well run organization with a healthy institutional culture and staff morale. The recent modernization process enhanced initiative, flexibility and multidisciplinary teamwork. It will remain unbalanced, however, until and unless a reliable accountability system is put in place to complement the decentralization. The responsibilities delegated to the middle management have to be subject to effective oversight to prevent their neglect or abuse. Along with it, the formal channels for communication and coordination should be given due attention and not allowed to break down.

The Office of Internal Oversight Services provided 24 recommendations aimed at improving the programme planning and performance monitoring, strengthening personal accountability, improving coordination and collaboration throughout the Commission and addressing specific issues of human resources management. The Office of Internal Oversight Services is aware that measures to address some of them have been initiated.

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# I. Introduction

1. The Economic Commission for Latin America (ECLA) was established by the Economic and Social Council in its resolution 106 (VI) of 25 February 1948 and began to function that same year. The scope of the Commission's work was later broadened to include the countries of the Caribbean, and, by resolution 1984/67 of 27 July 1984, the Economic Commission decided to change its name to the Economic Commission for Latin America and the Caribbean (ECLAC). In June 1951, the Commission which has its headquarters in Santiago, Chile, established the ECLAC subregional headquarters in Mexico City, which serves the needs of the Central American subregion and, in December 1966, the ECLAC subregional headquarters for the Caribbean was founded in Port-of-Spain, Trinidad and Tobago. The mission of ECLAC is defined as contributing to the economic and social development of Latin America, coordinating actions directed towards this end and reinforcing economic relationships among the countries of the region and with the other nations of the world.

2. From its early years, ECLAC gained a solid reputation for innovative and dynamic theoretical thinking, which achieved wide recognition regionally and globally. The development of analytical methodologies focused on the interdisciplinary vision of development, active involvement in the debate regarding the most acute economic and social issues of the day and tangible contribution to the practical resolution of such issues. These traditions formed its institutional backbone and are maintained as it moves forward.[1] The Commission's voice is clearly heard in the ongoing discussion of development challenges facing the region. Statistics, data and research produced by it are widely accepted as reliable reference and thought-provoking, action-oriented analyses.

3. The last two bienniums were focused on strengthening the institutional identity of ECLAC as the proponent of a systematic and comprehensive approach to regional development issues, combining analytical work with operational initiatives, advisory services and training and reflecting global trends that affect the region. The Commission's goal was to concentrate on activities where it had clear comparative advantage and to obtain the most value, in terms of relevant outputs, from the resources allocated to it. The restructuring of ECLAC during this period was aimed at streamlining the organizational structure and enhancing responsibility and accountability at all levels of it. The management was expressly committed to enhancing the effectiveness and efficiency of the secretariat's work through cost-saving measures, rigorous programming, training and improvement of horizontal and vertical communication among staff.

4. In the second half of 2001, the Office of Internal Oversight Services undertook a broad review of programme management and administrative practices in ECLAC, with a view to appraising the progress achieved in the envisaged restructuring, decentralization and strengthening of accountability and its impact on the efficiency and effectiveness of programme delivery. In particular, the Office of Internal Oversight Services sought to: ascertain whether the work programmes of the offices concerned were efficiently and coherently formulated, executed, monitored and evaluated; ascertain whether the responsibilities delegated were commensurate with the accountability controls; and assess the impact of the Commission's activities from the end-user's standpoint.

5. The comments of management were sought on the draft report and are set out in italics. The Office of Internal Oversight Services greatly appreciates the cooperation extended to it by the ECLAC staff at various levels during this inspection.

# II. Methodology

6. Prior to the on-site review, the Office of Internal Oversight Services sent out 171 questionnaires on a wide range of programmatic, managerial and administrative issues to staff and management of ECLAC and received 94 responses (or 55 per cent of the total). In addition, 115 questionnaires were sent to various ECLAC stakeholders: member States, non-governmental organizations and academic institutions. In return, 26 written responses and 13 responses through oral interviews (altogether, 34 per cent of the total) were received. The advance processing of the responses received allowed the Office of Internal Oversight Services to determine the priority areas for the on-site phase of the exercise and to apportion resources accordingly.

7. The Office of Internal Oversight Services thoroughly studied relevant General Assembly

resolutions, reports of the Secretary-General and the Executive Secretary of ECLAC, as well as budget documents. The observations and recommendations contained in the Board of Auditors reports were taken into account. Numerous interviews were conducted with senior management and staff of ECLAC, as well as with delegates of Member States in New York and Santiago and representatives of non-governmental organizations and academia.

# III. Programme performance

8. In examining the programme performance of ECLAC, the Office of Internal Oversight Services turned first to the relationship between the Commission's human resources and the outputs produced; it then examined the quality and impact of the substantive content of its products as assessed by the end-users and reviewed the programme planning modalities and the monitoring of programme delivery.

## A. Resources and outputs

9. The overall staffing of ECLAC in all categories reached its peak of 855 posts on 1 January 1990 (55 posts, or 6.2 per cent more staff than in 1984) and then declined each year, until reaching the level of 578 posts in all categories in June 2001, which was 32.4 per cent lower than a decade ago. Within this trend, Professional and expert staff were reduced from 281 on 1 January 1990 to 221 in June 2001, or by 21.4 per cent. The General Service staff shrank from 574 on 1 January 1990 to 357 in June 2001, or by 37.8 per cent. The structure of staff changed accordingly: the ratio of General Service to Professional staff declined from 2.04 in 1 January 1990 to 1.62 in June 2001, or by 21 per cent. The dynamics of this decline varied in different categories of staff.

10. All regular budget posts were reduced by 17.5 per cent: from 595 in 1 January 1990 to 491 in June 2001. The number of Professionals (including the Director level) decreased from a maximum of 193 in 1 January 1990 to 176 (8.8 per cent) on 1 January 1991, then increased to 190 on 1 January 1997 and decreased again to 181 in June 2001, which is 6.2 per cent lower than a decade before. The number of General Service staff steadily decreased from 402 in 1 January 1990 to 310 in June 2001 (22.7 per cent). As a result, the ratio of General Service to Professional staff was reduced from 2.08 in 1 January 1990 to 1.71 in June 2001, or by 18 per cent.

11. In all categories of extrabudgetary staff, the overall staff strength declined from 260 in 1 January 1990 to 87 in June 2001, or by 66.5 per cent. The number of Professional level staff decreased from 88 in 1 January 1990 to 40 in June 2001, or by 54.5 per cent. The number of General Service staff decreased from 172 in 1 January 1990 to 47 in June 2001, or by 72.7 per cent. As a result, the ratio of General Service to Professional staff was reduced from 1.95 in 1 January 1990 to 1.18 in June 2001, or by 13 per cent.

12. At the same time, the ECLAC workload, as measured by programmed quantifiable outputs (production of which accounted for about two thirds of its total work-months), increased during the period under consideration, as can be seen from the table below.

| *Biennium* | *1990-1991*[a] | *1992-1993*[b] | *1994-1995*[c] | *1996-1997*[d] | *1998-1999*[e] | *2000-2001*[f] |
|---|---|---|---|---|---|---|
| Outputs | 389 | 353 | 391 | 410 | 438 | 655 |
| Implementation rate (percentage) | 95 | 89 | 81 | 89 | 91 | 90 |

[a] A/47/159.
[b] A/49/135.
[c] A/51/128.
[d] A/53/122.
[e] A/55/73.
[f] Integrated Monitoring and Documentation Information System data.

13. Overall, one can conclude that ECLAC managed to produce more with less: even by a conservative estimate, the volume of implemented outputs increased by at least 40 per cent over the past decade, while the overall complement of staff decreased by about one third.

14. This situation is reflected in staff responses to the question of whether their job descriptions adequately reflected the duties they performed: in an overwhelming majority of cases, it was stated that the actual duties exceeded (often by far) those officially recorded. Interviews by the Office of Internal Oversight Services confirmed this pattern.

15. It should be noted, however, that the above-mentioned increase in the per capita workload was

supposed to be considerably mitigated by wider involvement of external expertise in carrying out the programme of work. In this regard, the note by the ECLAC secretariat reviewing the recent reforms adopted by the Commission[2] provided information about the new budgetary approach which would alter the mix of in-house staff and outsourced expertise or services and provide greater flexibility in adapting the secretariat's expertise to changing circumstances. Further, the note by the secretariat on progress in the implementation of the pilot management scheme[3] indicated that the reduction in permanent posts would be mitigated by the increased availability of funds for outsourcing to consultants and temporary assistance. Overall, ECLAC and the Office of Programme Planning, Budget and Accounts agreed to abolish 14 Professional and 30 General Service posts for the biennium 1998-1999, in exchange for partial compensation in the amount of US$ 2.2 million for use as temporary assistance, technical assistance and consultants. It was envisaged that authority for the utilization of these resources would be delegated to division chiefs.[4]

16. However, the arrangement did not work, as the amount of financial "compensation" was drastically reduced, owing mostly to the different interpretations of recosting methodology. Although a US$ 250,000 supplement was allotted to ECLAC in 2001 to support the most urgent activities, the benefits of expected resource flexibility remained minimal.

17. The Office of Internal Oversight Services noted that, at the time of the inspection, the Executive Secretary of ECLAC and the Controller were engaged in examining the recosting procedures, with a view to adjusting them in respect of specific objects of expenditure. The Office of Internal Oversight Services noted that efforts are under way to resolve this problem.

18. Given the lingering rigidity of the regular budget constraints, the area within the overall resource base of ECLAC that could benefit from closer attention by the management is the mobilization of extrabudgetary contributions. The table below compares estimates of extrabudgetary resources anticipated for each biennium at the planning stage with actual extrabudgetary expenditures for the same biennium.

**Economic Commission for Latin America and the Caribbean: projected[a] and used[b] extrabudgetary resources**

(Thousands of United States dollars)

| *Biennium* | *P*[a] | *A*[b] | *D*[c] *(percentage)* |
|---|---|---|---|
| 1992-1993 | 28 609.6[d] | 18 787.6[e] | -34.3 |
| 1994-1995 | 20 825.3[f] | 9 808.9[g] | -52.9 |
| 1996-1997 | 18 592.2[h] | 16 498.0[i] | -11.3 |
| 1998-1999 | 21 377.2[j] | 17 546.5[k] | -17.9 |
| 2000-2001 | 16 150.6[l] | 21 898.3[k] | 35.6 |

[a] P — estimates presented in the proposed programme budget.

[b] A — actual expenditures.

[c] D — difference in percentage; $D=\frac{A-P}{P}\times 100$.

[d] *Official Records of the General Assembly, Forty-eighth Session, Supplement No. 6* (A/48/6/Rev.1), table 18.1.

[e] Ibid., *Fiftieth Session, Supplement No. 6* (A/50/6/Rev.1), table 18.2.

[f] Ibid.

[g] Ibid., *Fifty-second Session, Supplement No. 6* (A/52/6/Rev.1), table 19.1.

[h] Ibid.

[i] Ibid., *Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1), table 19.1.

[j] Ibid.

[k] A/56/6 (Sect. 19), table 19.2.

19. The data shows that expectations and reality vary: from being overestimated by more than 100 per cent to being underestimated by over one third. The Office of Internal Oversight Services is aware that the time lag built into the United Nations budgetary cycle negatively affects the reliability of forecasts of the voluntary contributions. However, the fact that the level of extrabudgetary resources is currently at around one-fifth to one-quarter of the regular budget justifies an effort to make ex ante extrabudgetary estimates more precise. This emphasizes the need for creating a longer-term framework for enhancing the reliability of extrabudgetary contributions.

20. The Office of Internal Oversight Services noted that, in paragraphs 120 and 121 of its resolution 56/253 of 24 December 2001, the General Assembly expressed its deep concern at the decreasing trend in extrabudgetary resources and requested the Secretary-General to submit to it concrete proposals to address the impact of this decline for ECLAC. The Office of

Internal Oversight Services believes that implementation of recommendation 2 would provide a meaningful input in fulfilling that request.

## B. Quality of outputs and services

21. The survey of the stakeholders and end-users of ECLAC products (mentioned in para. 6 above) and the assessments of ECLAC work in actions of intergovernmental bodies indicate overall satisfaction with the quality of the Commission's work and a positive appraisal of the expertise, dedication and professionalism of its staff. It was emphasized that ECLAC consistently addressed the recent crucial changes and challenges being tackled by the region and had thus established itself as an economic think tank for Latin America and the Caribbean. The Commission remains at the forefront of the comprehensive analysis of development processes, overall economic and social trends in the region and of the economic policies and situations of specific countries. It enjoys a solid reputation as a leader in research and analysis and is consistently viewed by its stakeholders as a sound source of policy advice, a reliable provider of training services, an enlightened forum and clearing house of good practices for the region. Several member States underscored as very productive the Commission's pragmatic intermediary role in advancing the resolution of bilateral concerns, such as free movement agreements between some member States, promotion of openness on military expenditures and disarmament issues, refugees and environmental protection. ECLAC activities on assessing the consequences of natural disasters received a universally positive feedback.

22. The Commission's products fostered a better understanding of multilateral and internal trade regulatory frameworks and provided practical assistance on the implementation of new forms of international integration for the region. Its research outputs, databases and policy reports are in continuous demand by national Governments and regional structures, other agencies of the United Nations system and publishing houses. Some of its software products are actively distributed worldwide. The growing interest in ECLAC outputs is reflected by the fact that downloading of materials from its web site by external users quadrupled during the biennium 2000-2001.

23. The Commission has enhanced its strategy of a sharper targeting of the content and distribution of the two annual economic surveys by employing an extensive electronic distribution, a new format and new coverage. A wider participation in theoretical and policy-oriented discussion was reached through an extensive dissemination of publications through co-edition with regional and international publishers and participation in seminars. Promoting a close relationship with regional institutions and high-level civil servants has proven to be particularly effective.

24. The Office of Internal Oversight Services noted that, in his report on regional cooperation in the economic, social and related fields, the Secretary-General stated that ECLAC had continued collaborating with the Department of Economic and Social Affairs in sustainable water resources management, including in China and Yemen.[5] Over the years, ECLAC has developed expertise and has become a system-wide centre of excellence in the field of water resources management. Achievements in this field have been recognized beyond its immediate region. The Commission shared this expertise with other regional commissions and the Department of Economic and Social Affairs to carry out interregional cooperation activities based on cost-sharing arrangements.

25. A number of publications, particularly the periodical *Social Panorama*, as well as those dedicated to population and development issues, and statistics and economic projections, serve as important sources of reference in the region. Findings and recommendations of specific research projects provided significant inputs into the formulation of national policies. The design of an Integrated System for Project Formulation, Evaluation and Monitoring and its implementation in national institutions contributed to increased efficiency in the execution of social programmes. The design and implementation of an electronic directory of institutions in the social area in Latin America and the Caribbean has received approval from the private and public sectors. Governments and regional structures reacted positively to the benefits derived from research in the energy and transportation areas, national studies, as well as regional technical assistance for the Plan Puebla Panama.

26. The training arm of ECLAC — the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) — trained almost 1,000

participants and provided nearly 3,000 teaching hours during the biennium 2000-2001 by organizing 27 international, subregional and national courses. The feedback from participants was universally positive. An equally high level of satisfaction was expressed in responses from trainees in courses in environmental and land resource sustainability.

27. The Office of Internal Oversight Services believes that maintaining the momentum of excellence and upholding the hard-earned reputation should be of primary importance to management. To ensure that, it must be aware of and tackle the problems that inhibit the attainment of this goal. One problem is that, while the views and ideas of top management are a positive factor, it appears that they do not always trickle down and become absorbed sufficiently throughout the ECLAC structure. The Office of Internal Oversight Services found that, on occasion, middle-level managers and senior Professional staff may impart to parties external to ECLAC ideas, opinions and policy advice on important development issues which are not necessarily consistent with the position stated by the leadership of the Commission, and may even be contradictory. One of the underlying reasons for this is the absence of screening and a solid peer review system for documents written by staff on their own initiative. While such systems function effectively in regard to the flagship publications of ECLAC and its main reports, there is a weakness of comparable controls as regards self-generated publications pursuing personal exposure in academic publications and high-visibility conferences. The Office of Internal Oversight Services is concerned that this trend, if left unchecked, might blur the clearly delineated and consistent concepts of "ECLAC thinking" with a diffuse mesh of ideas without a clear-cut message.

28. In the view of the Office of Internal Oversight Services, a penchant for focusing on academic research and producing papers for economic journals is the downside of the long tradition of intellectual dexterity at ECLAC. Such academic pursuits are allowed at times to take precedence over the regular implementation of the work programme, and there is a perception that a publication in a well-known journal carries more prestige and recognition than an on-time delivery of a planned output. While the Office of Internal Oversight Services believes that such an important element of the institutional culture as respect for academic excellence should not be undermined, it should be put into proper perspective by emphasizing the priority of the programmed work and of policy-oriented and practical activities.

## C. Programme planning issues

29. In April 1996, at its twenty-sixth session, the Commission adopted resolution 553 (XXVI) on reform of the United Nations and its impact on ECLAC, in which it decided to establish an open-ended ad hoc working group to define the priorities of the work programme and recommend to the Commission strategic directions for its future activities. The resolution was adopted at the time of the implementation of the Secretary-General's reform package which, among other elements, included the reduction of some 1,000 posts in the Secretariat. The Commission was confronted with the task of making its share of the cutbacks (44 posts). In the context of downsizing, the ad hoc working group advised the Executive Secretary by defining various scenarios of budget reduction and identifying the work programme activities of lower priority to be eventually phased out, depending on the actual level of budget reduction. Subsequently, the meetings of the working group examined the content of the work programme for the last two bienniums and for the forthcoming one and outlined the priorities that Member States wished collectively to assign to activities within the programme of work.

30. The Office of Internal Oversight Services noted that, according to the overviews for the proposed programme budgets for both the current and forthcoming bienniums, proposed budgets reflect a carefully selected work programme, duly consulted on during the relevant session of the Commission and further reviewed in detail and prioritized by the subsequent meetings of the ad hoc working group. The Office of Internal Oversight Services also noted that the 1998 report of the Secretary-General on regional cooperation in economic, social and related fields[6] indicated that, as a consequence of the prioritization exercise, the work programme appears more focused and responsive to the expectations of member States. Given the fact that meetings of the ad hoc group are held after the Commission's meetings, one possible reading of this quote could be that the Commission used to give its concurrence to the work programmes which are still insufficiently focused and responsive to

its expectations and which needed further refinement by the ad hoc group. Recalling also that the ad hoc group has an open membership, the Office of Internal Oversight Services was not certain that its programmatic recommendations could amend the decisions made in this regard by the Commission.

31. At the fourth meeting of the ad hoc working group, the secretariat gave a presentation on each programme and made it clear that the establishing of priorities did not mean that programmes lower on the list would not be executed (as the budgetary situation allowed execution of all components of the entire programme), but merely set the order in which they were to be carried out. It was noted that there were no plans to postpone any of the scheduled activities. It was further noted that member States and the secretariat were basically in agreement as to the assessment of the work programme; and that the result of the prioritization was an increase in the number of outputs in category A (up to 70 per cent) and virtual elimination of the category C.[7] At the sixth meeting of the ad hoc working group, held in Santiago on 30 and 31 August 2000, the priority rating of 26 outputs was raised and the priority rating of five outputs was lowered, again reflecting the tendency to elevate the priority rating of most of the outputs (in this case, 84 per cent of the total dealt with). The Office of Internal Oversight Services noted that, in his intervention at the sixth meeting of the ad hoc group, the Deputy Executive Secretary noted that the prioritization was a complex exercise as it was easy to confuse the concept of "priority" with that of "appreciation". He further noted that the Commission had used the expression "relative priority" in the classification of the scheduled activities, which helped to explain that it was not a matter of treating one activity as being more or less important than the other.[8]

32. The Office of Internal Oversight Services recalls that the priority issues for the ECLAC work programme are identified and spelled out in various legal instruments, but primarily in resolutions and decisions of the Commission and its subsidiary bodies and those of the General Assembly and the Economic and Social Council. The Office of Internal Oversight Services also noted the management's view that the discussions and deliberations of delegations participating in the ad hoc group meetings provide valuable insights on the specific development needs and interests of member States, which in turn helps ECLAC to be more responsive to its membership and to be in a better position to carry out work programme activities. At the same time, based on its thorough review of the issue, the Office of Internal Oversight Services concluded that the changes in priority designation by the ad hoc group do not appear to bear any tangible impact on the regular budget resources earmarked for specific activities and outputs, nor lead to any noticeable redesign of specific deadlines within the overall programme of work. For this reason, the prioritization impact of the ad hoc group is not easily discernible.

33. While the Office of Internal Oversight Services noted the utility of this exercise for allowing the member States to become more acquainted with the programme of work, the OIOS is under the impression that the prioritization exercise has reached a point where one might consider readjusting the terms of reference of the ad hoc group by shifting its focus entirely onto extrabudgetary activities and technical cooperation activities under section 21 of the programme budget. Indeed, one of the most vocal complaints by the managers and staff of ECLAC was about the lingering (and, in some cases, widening) disparity between the demand for technical assistance and advisory services and the extrabudgetary resources and funds under section 21 of the programme budget available for satisfying such demands. The ad hoc group could serve as an effective intergovernmental tool in alleviating, if not resolving, this disconcerting problem.

## D. Programme performance monitoring

34. The Office of Internal Oversight Services noted with satisfaction that ECLAC has considerably improved its reporting discipline within the framework of the programme performance report for the biennium 2000-2001. The Commission's expertise in utilizing the Integrated Monitoring and Documentation Information System (IMDIS) for electronic reporting has improved considerably since the previous reporting period: both quantitative and qualitative segments of its biannual report were submitted in accordance with the established deadlines and required only minor revisions by the Office of Internal Oversight Services. It could be concluded that IMDIS was mastered by ECLAC to the degree that, from now on, it could become a

reliable instrument of the periodic programme performance monitoring by the top management.

35. The total number of outputs delivered by ECLAC increased from 459 in the biennium 1998-1999 to 655 during 2000-2001, that is, by 42.7 per cent. A closer look by the Office of Internal Oversight Services revealed that not all these additional outputs were of equal labour intensity. A sizeable share comprised booklets, fact sheets, wall charts and information kits, the production of which, in general, requires less resources than most recurrent publications. One example is subprogramme 4, Macroeconomic equilibria, investment and financing, under which the number of outputs increased sixfold, from 16 outputs in the biennium 1998-1999 to 95 outputs in 2000-2001. The important factor in this increase was the production of booklets, fact sheets, wall charts and information kits, which was not undertaken previously and comprised approximately 60 per cent (61 out of 95) of the subprogramme's outputs. Another factor in the increase were outputs produced by the ECLAC national offices. In previous bienniums, most of thei. outputs had been treated as intermediate products which were ultimately used by headquarters to produce final outputs. While it is not certain that the production of all new outputs is commensurate in terms of labour intensity with the mainstream products, the significant growth in productivity under this subprogramme did occur, especially taking into account the 3 per cent decrease in resources available compared to the biennium 1998-1999. Similar increases in productivity were demonstrated by subprogramme 7, Environmental and land resource sustainability, where the number of outputs increased from 32 in the biennium 1998-1999 to 102 in 2000-2001.

36. While the number of outputs increased, the implementation rate for ECLAC as a whole had slightly slipped by 1 percentage point, from 91 per cent in the biennium 1998-1999 to 90 per cent in 2000-2001. This was mostly on account of an increase in postponements from 1.8 to 3.2 per cent of the total mandated outputs, and in terminations, from 6.8 to 7.2 per cent of the total mandated outputs. On closer analysis, this shortfall does not look as serious: 13 out of 21 (or 60 per cent) postponed publications were prepared in substance and only their editing and printing was delayed into the beginning of 2002 and 19 out of 47 (or 40 per cent) of output terminations were owing to the shortfall of extrabudgetary resources. If that were taken into account (although it should be emphasized that this is not the standard practice of the Office of Internal Oversight Services) the implementation rate would increase to 93 per cent.

37. The strengthening of the programme performance reporting discipline of ECLAC notwithstanding, it should be stressed that most of the reporting was carried out in the last months of 2001, whereas reporting through IMDIS is supposed to occur throughout the biennium. The weakness of the programme performance monitoring is that it goes into gear only shortly before "the books are closed" and remains idle throughout most of the biennium. The full potential of the established programme performance monitoring modalities can be realized only when it is accepted as a part of the institutional culture, when such monitoring becomes comprehensive and continuous.

38. It should be stressed that the current configuration of IMDIS is not only geared to the biennial programme performance reporting, but also has new powerful programme management facilities that allow continuous monitoring of individual outputs through all stages of their production against established deadlines, along with linking to them the staff responsible for their implementation. It now provides management, in combination with the performance appraisal system (PAS), with an effective instrument for detailed internal monitoring of the performance of individual divisions, branches and staff members. The IMDIS manual contains all the necessary guidance and instructions for effectively operating its programme management component.

## IV. Management issues

39. The main focus of management recently was on restructuring ECLAC. In paragraph 19.12 of the ECLAC programme budget for the biennium 2000-2001, it was emphasized that, as for the organizational and management issues, restructuring would continue during the following biennium to be a highly dynamic process in ECLAC aimed at developing a more streamlined organizational structure and enhancing responsibility and accountability on the part of the organizational units and individual staff members. Overall, the ECLAC secretariat was intent on continuing major efforts towards the development of a more efficient and effective secretariat through cost-

saving measures, rigorous programming, training and improvement of horizontal and vertical communication among staff. The Office of Internal Oversight Services examined whether this process advanced as envisaged and whether its various components evolved in a balanced manner.

## A. Decentralization and accountability

40. The note by the secretariat on ECLAC and its role in the reform process[10] stresses that one of the most conspicuous aspects of the managerial modernization process had been the expansion of division directors' decision-making powers with regard to how the available resources should be put to use in the subprogrammes under their responsibility. It is further explained that this process was expected to result in greater accountability, based on the use of indicators to measure individual, institutional and team performance, which in turn would serve as a basis for the development of new criteria for the distribution of resources. As further elaborated on in interviews with ECLAC management, the expansion of the authority delegated to ECLAC directors enhanced their capacity to take decisions regarding the management of regular budget and extrabudgetary resources in the manner that would ensure the effective implementation of work programme. The Programme Planning and Operations Division was charged with closely monitoring the discharge of these responsibilities on the regular budget.

41. The Office of Internal Oversight Services found that the decentralization infused a healthy degree of flexibility in mobilizing resources for specific tasks without the impediment of rigid organizational barriers. The interdisciplinary thematic teams provide the best example of efficient pooling of multidisciplinary expertise for carrying out complex projects. Thus, the composition of teams varies depending on the work programme issues to be addressed. One of such multidisciplinary teams was charged with preparing the main substantive document for the forthcoming session of the Commission. Other examples are the teams formed to assess the socio-economic impact of specific natural disaster events on affected ECLAC member countries. The composition of those teams depends on the nature of a natural disaster event and on those sectoral areas affected the most, as a result.

42. Apart from facilitating the interdisciplinary activities, the Office of Internal Oversight Services found that decentralization had a beneficial effect on the work of some divisions, catalysing the managerial and staff initiatives and facilitating more flexible and creative approach to programme delivery. This was, however, observed only in cases where decentralization was underpinned by responsible and conscientious middle management, cognizant of discharging their expanded responsibilities in effective and participatory manner. The Office of Internal Oversight Services encountered other instances where decentralization had exacerbated poor management.

43. The Office of Internal Oversight Services examined the state of management and supervision in each division of ECLAC and found the pattern to be patchy. Some, such as the Environment and Human Settlements Division, were well managed, held regular staff meetings and practised a participatory approach to work planning, with a view to matching expertise with the institutional priorities. Equally solid management and healthy morale prevailed in the Population Division and in the Women in Development Section. In some divisions, however, the level of leadership, management of programme delivery and staff morale were less than desired. The overall impression was that the quality of leadership and management hinged entirely on the personal attitude and approach of a chief, with little, if any, systemic factors steering the middle-level leaders towards sharing and following the best management practices.

44. The Office of Internal Oversight Services also found serious lapses in supervision on the part of the Chief of the Division of Production, Productivity and Management; it does not question the professional expertise and research acumen of this staff member, but has serious doubts about his willingness, preparedness and ability to serve as a senior supervisor and manager.

45. The attention of the Office of Internal Oversight Services was drawn to serious concerns regarding the abnormal situation in the Statistics and Economic Projections Division. The absence of any substantive leadership on part of the Chief, the lack of his involvement in addressing pertinent programmatic and management issues, the absence of guidance regarding planning, implementation and assessment of the Division's outputs were without precedent and cannot be further ignored by the senior management. It does honour to the staff of the Division that it continued to

deliver scheduled outputs, which are historically in high demand both within ECLAC and throughout the region, without there having been a single meeting for more than a year at which methodological and organizational issues could be discussed. The Office of Internal Oversight Services believes that it was solely owing to the historical culture of dedication on the part of the staff and its expertise that the Division managed to stay on course rudderless, with its Chief remaining in literal seclusion.

46. In general, the Office of Internal Oversight Services felt that the middle-level managerial culture required more consistency and professionalism. It is not rare that managers are focused on their own research or operational activities to the detriment of the management of the division or unit they are entrusted with. The culture of ad hoc decision-making, as well as an aversion to addressing pressing management issues still lingers in some clusters of the secretariat. The top leadership would be well advised to bring this issue to the fore, to infuse a healthy dose of managerial discipline at the middle level, to initiate training as required and to keep managers accountable for discharging their managerial responsibilities.

47. The overall assessment of the Office of Internal Oversight Services was that, while decentralization in ECLAC had taken hold and had brought some tangible benefits, the commensurate accountability measures aimed at providing balance to expanded responsibilities had yet to be put in place. In this connection, the Office of Internal Oversight Services recalls that the Secretary-General, in paragraph 1 of his report on accountability and responsibility (A/55/270, dated 3 August 2000), emphasized that, while giving managers more authority and responsibility for decision-making is essential for the delivery of programme objectives, increased authority and responsibility must be accompanied by increased accountability, the latter being an essential building block in the Secretary-General's reform strategy. The weakness of accountability mechanisms in ECLAC calls for immediate correction.

## B. Communication and coordination

48. The Office of Internal Oversight Services examined the state of interdivisional and intradivisional communication and coordination and found that the pattern varied considerably, from complete lapses to effective collaboration. The feature that stood out was that, where successful, the process relied entirely on informal, personal connections. Where such connections were absent or weak, no effective formal structures were in place to make up for such weaknesses and instil a compelling discipline to maintain the continuity of communication and coordination processes. The Office of Internal Oversight Services is far from underestimating the value and importance of informal professional, collegiate cross-disciplinary ties for effective collaboration, but relying on them alone makes the process of intra-organizational dialogue and teamwork lopsided.

49. The Office of Internal Oversight Services found that guidance and feedback on the part of the senior management suffered from being unstructured and frequently indirect. A key missing element was a more systematic interface with the chiefs of the divisions as a collective entity and not on a purely individual basis. Six senior management meetings were held in ECLAC in 1998 and two in 1999. The Office of Internal Oversight Services was informed that most meetings in 2000 and 2001 had been convened by telephone or by e-mail. Regular meetings with all chiefs were not held; individual meetings with the Executive Secretary were reported as having been held occasionally (four in 2001). Minutes were not available for all meetings: there were only four prepared in 1998 and one in 1999. The Office of Internal Oversight Services has been informed that two meetings have been held since the inspection; it has noted that preparatory meetings on major documents (e.g. thematic paper for the Commission session) or major events (e.g. Summit of the Americas) were held during 2001, as necessary. The Office of Internal Oversight Services is of the view that the top-level communication and coordination in ECLAC should be put on regular basis.

50. The dissemination of information on deliberations and decisions taken at the senior management meetings was varied. Many staff in non-decision-making positions in some divisions reported that they did not receive information on the meetings being held nor on any decisions. Others reported that they received information when relevant and, in one division, staff reported being fully informed. A number of division chiefs pointed out to the Office of Internal Oversight Services that they would have liked more discussion on issues affecting ECLAC and the opportunity to plan

and discuss collaboration and coordination in the implementation of the work programme and the formulation of projects.

## C. Subregional headquarters

51. One concern that came to the fore in the course of the inspection was the need to considerably strengthen support to and coordination with the subregional headquarters. Efforts in this direction should provide a reliable institutional framework for continuous interaction between the Santiago, Mexico, D.F. and Port-of-Spain offices. They should eliminate situations when units dealing with the same subject matter at subregional headquarters and Santiago either duplicate each other's work, or carry out their activities in total disconnection from each other.

52. In this regard, the Office of Internal Oversight Services was encouraged by the fact that the issue was being treated as a priority both by the Director of the Mexico office and the Executive Secretary. In October of 2001, a new Director for the subregional headquarters for Mexico and Central America was appointed to strengthen management and leadership. Upon her assumption of office, the Director initiated an energetic agenda to survey member countries in the subregion, with the purpose of assessing the new and emerging needs of Central American countries and incorporating them into the programme of work of the office. The Office of Internal Oversight Services noted with satisfaction that the staff morale in the Mexico office is on the upswing and that the staff members seem confident in the new Director's ability to re-energize the office. The Office of Internal Oversight Services noted also that the Deputy Director made an important contribution to these improvements by reintroducing periodic management meetings.

53. The assessment of the Office of Internal Oversight Services is that the Mexico office of ECLAC has managed to carry out effectively the main objectives of its programme of work, delivering the outputs planned in a timely fashion and providing member States of the subregion with insightful, qualitative and reliable advice on economical, financial, social and technical support areas. The office has managed to concentrate its limited resources on topics of major interest to the member States of the subregion and develop projects in areas as diverse as trade and integration, immigrant flows in the subregion, fiscal policies, energy research, a responsible fatherhood programme, studies on poverty and marginalized youth and appraising the impact of natural disasters. The Office of Internal Oversight Services noted that, along with implementing their regular programme of work, the staff of the Mexico office accepted leadership in producing assessments of natural disasters and that this activity became a significant accomplishment that has been of credit to ECLAC as a whole. Recognition of this fact is reflected not only in the amount of extrabudgetary resources provided for this activity but also in funding received for developing a disaster evaluation manual in Spanish, which was translated into English and French by the World Bank and disseminated electronically throughout the world.

54. The Office of Internal Oversight Services commends the leadership of the Commission's Mexico office in dealing with natural disaster evaluations. It was impressed by the dedication of staff members in the subregional office in accomplishing such missions, even at the expense of their vacations and working extra hours to deliver the regular programme of work. Since the role of the Mexico office in effectively coordinating and leading this activity as a focal point has been proven, it needs to be institutionalized and strengthened.

55. Having examined the issue of coordination and cooperation from the subregional office standpoint, the Office of Internal Oversight Services was not able to detect any convincing evidence of reliable and effective coordination and cooperation between ECLAC headquarters and its subregional offices in Mexico City and Port-of-Spain. Apart from isolated informal interaction, based on the most part on personal contacts, the Office of Internal Oversight Services could not identify any viable institutional mechanism of keeping the subregional offices abreast of the latest developments in Santiago and fostering cooperation with them. On the contrary, important endeavours directly related to the Central American region or the Caribbean were undertaken by Santiago at times without informing the subregional office. The Office of Internal Oversight Services was surprised to learn that, in some instances, missions to Central American countries were planned and carried out by ECLAC Santiago without any attempt to benefit from the knowledge and experience possessed by the Mexico office. In the view of the Office of Internal Oversight

Services, such lack of coordination leads to duplication of efforts instead of strengthening synergies.

56. One regrettable consequence of this void in coordination was the persistent feeling of detachment from headquarters felt by most staff members in the subregional offices. While the Office of Internal Oversight Services would like to see some formal mechanism of coordination and cooperation in place it should be emphasized that it is not advocating micromanagement or excessive control. The ECLAC subregional offices should retain reasonable autonomy in their activities and management.

57. As regards the ECLAC subregional headquarters for the Caribbean, the Office of Internal Oversight Services noted the effective facilitation of the Programme of Action for the Sustainable Development of Small Island Developing States, with emphasis on integrating economic, social and environmental components of action to achieve sustainable development. A number of analytical and policy-advice documents concerning the vulnerabilities of Caribbean small island developing States and implications of regional and international conventions they entered into, economic surveys of the countries of the region, conceptualizing the development of science and technology indicators in the region and providing relevant training, multifaceted technical assistance projects and the secretarial support provided to the Caribbean Development and Cooperation Committee and to the Caribbean Council for Science and Technology were well received by member States. The number of outputs delivered during the biennium 2000-2001 grew by almost 50 per cent compared to the previous biennium, owing mostly to an increase in production of booklets, fact sheets and wall charts; the 86 per cent implementation rate for the subprogramme was achieved despite continuing staff shortages.

58. The fact that four out of fourteen Professional posts remained vacant from one to three years was of concern to the Office of Internal Oversight Services. These shortages created undue hardship for the implementing the programmed activities. Although these resources were used for temporary assistance and consultative services, the regular staff had to review the work of consultants and carry out the necessary follow-up. The Office of Internal Oversight Services finds merit in the prevailing opinion of the staff that excessive reliance on consultants (who are often recruited without prior consultation with the staff they are to work with) is more often than not to the detriment of staff development and that the body of knowledge gained during such assignments resides with consultants, rather then becoming a part of the institutional memory of the office.

59. The Office of Internal Oversight Services found that, in the Port-of-Spain office, the entire decision-making process, even on issues of low significance, resides wholly with the Director and is rather autocratic and inflexible, with little or no scope for staff to contribute meaningfully. It leaves little room for staff to exchange ideas freely or to critically examine and to evaluate programmatic activities. There is inadequate empowerment of subordinates to carry out the assignments given to them. As the result, staff members as a whole do not feel that they are part of a team with a unified vision and direction. One of the related problems is the Director's practice of withholding timely information on the availability of resources for specific activities, which precludes timely decisions on adjusting the implementation priorities and pace. The Office of Internal Oversight Services noted that suggestions to the Director that initial budgetary allocations could be indicated to each unit early enough in the biennium to allow for implementation planning was never discussed or acted upon.

60. Another disruptive factor in the functioning of the Port-of-Spain office was a substantial number of ad hoc, unplanned assignments given to staff at short notice and with pressing deadlines, in addition to the approved individual work programme. Quite often, this made it extremely difficult for staff to complete the regular projects on time.

61. The Port-of-Spain office comprises five substantive units, some of which consist of one or two members. A unit of such small size can hardly provide a critical mass of substantive expertise to serve as a cutting-edge research or policy advice outfit. Bearing in mind that the sustainable development of small island developing States is the focus of the office's activities, it stands to reason that the multidisciplinary dimension of its work and thematic synergies could be enhanced through merging units currently dealing with economic, social and sustainable development issues.

62. The Office of Internal Oversight Services was concerned about the inadequacy of substantive training provided to the staff of the office. In a number of cases,

Professional staff members received no training during the last two to three years. The Office of Internal Oversight Services finds no excuse for such disregard for one of the most essential tools of enhancing staff expertise.

63. The Office of Internal Oversight Services took note of the self-evaluation report of the subprogramme for the biennium 1998-1999 which, along with a general examination of the whole range of its activities, focused on two case studies of its recurrent publications: the *Current Awareness Bulletin* and the *External Briefing Notes*. The self-evaluation report contained four recommendations, which OIOS found well substantiated and proactive. However, the Office of Internal Oversight Services was unable to detect any follow-up on these recommendations.

## D. Human resources management

64. The Office of Internal Oversight Services team found overall staff-management relations in ECLAC to be on an even keel. However, there was a rather strong feeling on the part of the staff that some middle-level managers lack adequate knowledge of United Nations regulations and rules and, as a consequence, decisions affecting staff are taken in an arbitrary manner in some cases. Another expressed concern was the perceived lack of career development opportunities and the lack of transparency in decision-making on career issues. The Office of Internal Oversight Services examined some such cases and, while it found that, in most of them, the perceptions on the part of the staff of manipulation and unfair treatment by management were not justified, the situation could have greatly benefited from more consistent and transparent information to the staff at large about the substantive and procedural considerations that brought about specific promotion, placement and special post allowance.

65. The Office of Internal Oversight Services noted with concern that a number of posts had been vacant for long periods of time. This not only hinders the recruitment and promotion process, but is likely to affect negatively the implementation of the programme of work. The Office of Internal Oversight Services was assured that Administration would take decisive action under the delegation of authority that it has to fill expeditiously all vacancies. In this regard, the initiative of the Personnel Section in providing information on vacancies in a transparent manner on the Intranet was noted.

66. The Office of Internal Oversight Services was concerned that the PAS is not being implemented fully and consistently at ECLAC. As of 10 November 2001, that is, seven months after the deadline of the April to March cycle, PAS for 2000-2001 were still not completed for 39 per cent of Professional staff and 45 per cent of the staff in the General Service and related categories. One division had not completed any PAS assessments at all and three divisions (including the Office of the Executive Secretary) had completed assessments for less than 10 per cent of the staff. Only four national offices and the Library Division (three of whom had six or less staff members) had 100 per cent PAS compliance. Overall, only 57 per cent of the staff had a completed PAS for that cycle.

67. These statistics were corroborated by staff responses in questionnaires and interviews, which indicated that the prevailing attitude of management at all levels was not to give sufficient credence or priority to PAS. Although established, the Joint Monitoring Committee could not conduct its work, as so few completed PAS had been submitted. In October 2001, the Joint Monitoring Committee prepared and circulated a survey to the staff at ECLAC, with a view to identifying the problems with the application, design and implementation of the PAS. The Office of Internal Oversight Services trusts that this survey will not be just a formal exercise, but will rather be treated as an opportunity to learn lessons and formulate corrective measures.

68. The work plans segment of the PAS for the 2001-2002 cycle have been similarly inadequately implemented. Since the start of the cycle in April 2001, and by November 2001, eight divisions out of twelve had not submitted any individual PAS plans; in contrast, all national offices and three divisions had submitted all plans. Overall, about half of the individual work plans had been submitted as of 10 November 2001.

# V. Conclusions

69. In sum, ECLAC enjoys a well-deserved good reputation among its member States. It remains at the forefront of the comprehensive analysis of development processes, overall economic and social

trends in the region and of the economic policies and situations of specific countries. It is recognized as a leader in research and analysis and is consistently viewed by its stakeholders as a sound source of impartial and competent policy advice, a reliable provider of training services, an enlightening forum and clearing house of good practices for the region. Its high level of intellectual and political independence enhances the value of its opinion and recommendations. The core values of stimulating intellectual environment, emphasis on multidisciplinary approach, the high standards of professionalism, the fusion of theoretical concepts and pragmatic technical assistance, close attention to immediate and emerging concerns of the region and its countries define the mainstream of the ECLAC institutional culture.

70. ECLAC has an effective and proactive system of disseminating its products, of public outreach and information which is being constantly improved and strengthened. Many of its outputs in important subject areas have gained recognition well beyond the Latin America and the Caribbean region have been accepted as best practices and implemented by some international organizations and national authorities in other regions.

71. The decentralization component of ECLAC management reform encouraged the middle-level management initiative and enhanced multidisciplinary teamwork. It is not yet, however, counterbalanced by an equally effective system of accountability and that gap opens the door to arbitrariness and misuse in cases where managerial acumen and integrity are inadequate. This is a systemic weakness that should be remedied without delay.

72. The Office of Internal Oversight Services considers a healthy dose of informality in the overall management style of ECLAC as a positive facet of the institutional culture. It is when such informality replaces the established decision-making processes and durable communication and coordination arrangements that it becomes a problem. The observed lapses in interdivisional interaction and collaboration with the subregional headquarters, along with instances of duplication, require that management implement an effective and viable mechanism of communication and coordination as a matter of priority. One of the important components of such an effort should be a greater transparency in decision-making, especially with regard to human resources management.

# VI. Recommendations

73. The Economic Commission for Latin America and the Caribbean should get fully involved well in advance in the recosting exercise to ensure that all of its concerns are taken into consideration (paras. 9-17) (SP-01-004-01).*

> *ECLAC appreciated the Office of Internal Oversight Services' concern and understanding of the negative impact of the recosting procedures on the flexible resources made available to ECLAC in the biennium 1998-1999 in exchange for the abolition of 44 posts. ECLAC is currently satisfied with the fact that its representations to the Controller resulted in a modification of recosting procedures effective 1 January 2002. It is expected that the relevant modality will allow ECLAC to maintain its resource base throughout the current biennium. It is regretted, though, that it has not been possible to reinstate the resource level of the 1998-1999 initial appropriations.*

74. ECLAC management should consider establishing, in close dialogue with donors and other stakeholders, a well structured, transparent and effective mechanism to ensure the reasonable predictability of extrabudgetary contributions, in line with demands on ECLAC services (paras. 18-20) (SP-01-004-02).

> *As regards extrabudgetary resources, ECLAC appreciated the Office of Internal Oversight Services recognition of difficulties in predicting the level of contributions when preparing budget submissions, that is, two to three years ahead of the actual execution. Although ECLAC has experienced a certain degree of instability with its donor pool, it has initiated a round of contacts with traditional and prospective donors aimed at ensuring that contributions and pledges materialize as negotiated.*

75. (a) The same rigorous review mechanisms and standards that the main ECLAC publications are subject to should be applied to all outputs produced as part of its work programme at all levels of the organizational hierarchy;

(b) The publications and manuscripts produced

* The symbols in parentheses in the present section refer to an internal code used by the Office of Internal Oversight Services for recording recommendations.

on the authors' initiative should be subject to the established clearance procedures, with an emphasis on the coherence of their content with the official position of ECLAC;

(c) The implementation of the work programme should at all times enjoy priority over any external academic pursuits (paras. 21-28) (SP-01-004-03).

*ECLAC believes that the Office of Internal Oversight Services captured very well the fact that, in an environment that promotes intellectual activities, including exchanges with academic institutions, there is the associated risk of some staff members giving priority to academic recognition over appropriate delivery of the work programme. In addition, where decentralization of decision-making to programme managers is pursued, the task of preventing such risks falls mostly on the shoulders of such managers (head of divisions) and this is also true of the task of ensuring quality in other than the main publications ("series" and papers). Therefore, ECLAC accepts recommendations (a) and (b) and will put in place mechanisms at the divisional level to improve clearance procedures. As regards item (c), not only does the Commission accept it, but it has already issued instructions to that effect and will use the personnel evaluation process to adequately direct staff members towards an adequate prioritization and balance between their various activities.*

76. The Executive Secretary may wish to consider initiating the revision of the terms of reference of the ad hoc working group, with a view to enhancing its efficiency by shifting its focus from the regular budget activities to the extrabudgetary ones, as well as technical cooperation activities under section 21 of the programme budget. The group's identification of the under-funded priority activities could serve as a potent factor in ECLAC fund-raising efforts (paras. 29-33) (SP-01-004-04).

*The mandate of the ad hoc working group is very wide. Until today, the practice has been to analyse the priorities of the programme of work and the general views of the reform process. As from the next, twenty-ninth session, of the Commission to be held in May 2002 in Brasilia, the Executive Secretary will propose that the focus of the group's tasks be on the discussion of emerging substantive issues, reorientation of activities in connection with the Millennium Declaration and the methodologies to measure the impact of the Commission's activities with the member States. Although such discussions may lead the institution to search for extrabudgetary resources, the dynamics of this process is not easily compatible with the long periods that elapse between meetings of the ad hoc group.*

77. Building on the achieved progress in the discipline of programme performance monitoring, the management should take steps towards using IMDIS as a programme management and performance monitoring instrument from the outset of the biennium, cascading its use down the organizational hierarchy and introducing the internal system of periodic reviews of compliance with the established reporting modalities (paras. 34-38) (SP-01-004-05).

*ECLAC appreciates and agrees with the recommendation of the Office of Internal Oversight Services on using IMDIS as a management tool for monitoring ECLAC programme performance. Some steps have already been taken to ensure timely implementation of the programme of work. Managers have been requested to prepare an implementation timetable, at the output level, to feed IMDIS with the information required, to allow continuous monitoring of activities from the outset of the biennium. Training has been requested from the Office of Internal Oversight Services to initiate the participation of some ECLAC divisions in IMDIS.*

78. The Executive Secretary should examine the lapses in supervision on the part of the Chief of the Division of Production, Productivity and Management and decide whether he is suitable for continuing to fulfil management responsibilities (para. 44) (SP-01-004-06).

*ECLAC accepts the recommendation. The Executive Secretary has conducted an extensive dialogue with that Chief of the Division with the aim of making him totally aware of the importance of the matter and offering help and advice for the improvement of his performance as a manager. Given the fact that the person is due to retire at the end of 2002 and that the process of circulation of the post will start in a few weeks, it*

*would be impractical to undertake further measures, other than ensuring the timeliness of the selection process for a new Chief of Division.*

79. The Office of Internal Oversight Services trusts that the Executive Secretary will be objective in assessing all aspects of the performance of the Chief of the Statistics and Economic Projections Division, including the problem of the de facto abrogation of his leadership role, and in making a decision on his future contractual status at the PAS completion time. Until then, urgent measures should be taken to revitalize the Division's management (para. 45) (SP-01-004-07).

*ECLAC accepts the recommendation. The Executive Secretary is now personally conducting an in-depth evaluation of the situation, with a view to determining, in the light of the outcome, the appropriate course regarding the contractual status of the staff member.*

80. The Executive Secretary should establish a system of effective oversight focusing on expected standards of management performance and review of compliance with them. Monitoring and assessing the exercise of responsibility and authority of line managers should become an essential part of the Executive Secretary's supervisory function. The results of such assessments should be reflected in individual PAS and relevant personnel actions, as appropriate (paras. 46-47) (SP-01-004-08).

*ECLAC accepts the recommendation. While monitoring and assessing the exercise of responsibility of line managers is an ongoing part of the Executive Secretary's tasks, the present procedure will be strengthened and further formalized.*

81. (a) Senior management meetings should be held regularly, with the agenda focused on general management concerns of ECLAC, specific programmatic issues and ways and means to enhance and strengthen the vertical and horizontal communication, coordination and collaboration throughout ECLAC structures, including the subregional headquarters. All subprogramme managers (or their representatives) should participate. The minutes for every meeting should record decisions taken, assign responsibilities for their implementation and relevant deadlines. In the spirit of transparency and accountability, the minutes should be made available to all staff through electronic bulletin boards or any other suitable means. Follow-up on the implementation of the previous decisions should become a mandatory part of the meetings' agenda;

(b) The impact of the existing mechanisms, such as the Project Committee, could be strengthened by implementing more actively its mandate of recommending conceptual and operational priorities within the framework of the programme of work. Making its decisions available to the staff on the Intranet would keep everyone better informed about the overall scope of project activities and enhance interdisciplinary and interdivisional cooperation and synergies (paras. 48-50) (SP-01-004-09).

*The recommendation is accepted. It should be clarified that the Executive Secretary holds a significant number of meetings on specific issues, either bilaterally or with groups of directors. Moreover, the recommendation of the Office of Internal Oversight Services is well taken and the Executive Secretary is undertaking to convoke regular pre-scheduled meetings, with an agenda distributed ahead of time, followed by minutes distributed to all the staff. This practice, which was already initiated in early 2002, will be strengthened with dissemination of the information through the Intranet and Internet.*

82. ECLAC should consider strengthening the Natural Disaster Area to convert it into a unit within the subregional office dedicated fully to natural disaster evaluations, prevention and training (paras. 53-54) (SP-01-004-10).

*ECLAC concurs with the Office of Internal Oversight Services in its evaluation on the need to strengthen the activities related to natural disasters through its conversion into a formal part of the regular work programme. Although the availability of sufficient resources to justify the creation of a unit fully dedicated to this subject is uncertain, it is the Commission's intention to request an additional regular budget Professional post for a coordinator, without prejudice to the interdisciplinary nature of this activity. Other resources required to carry out these activities would be redeployed from the corresponding subprogrammes when support needs arise.*

83. ECLAC should initiate a review of coordination and cooperation arrangements with its subregional

headquarters, with a view to establishing an effective mechanism to ensure the viability, continuity and effectiveness of such arrangements and preclude the duplication of activities. Such a review should result in a common understanding on the division of labour between Santiago and the subregional offices in all substantive areas, including specific technical cooperation projects (paras. 55-56) (SP-01-004-11).

*This is a particular instance, although very important, of tension between decentralization of decisions, on the one hand, and coordination and control, on the other. ECLAC accepts the recommendation and already began to put it into practice on the occasion of the recent retreat of Chiefs of Division and Heads of Offices away from Santiago (Santiago, 1-2 April 2002).*

84. (a) The Port-of-Spain office, in coordination with Santiago should take measures for expediting the filling of future vacancies. The current four vacancies should be filled as soon as possible;

(b) The engagement of consultants by the Port-of-Spain office should be done in a transparent and competitive manner, with relevant staff members participating in the selection process. Consultancies should complement, but not substitute, programmed activities (paras. 57-58) (SP-01-004-12).

85. (a) The Director of the Port-of-Spain office should make a conscientious effort to transform her leadership and management style into a more transparent and open one, with appropriate input from the staff on all matters of common concern, including budgetary, programmatic and administrative issues;

(b) A transparent and viable consultation process for discussing new multidisciplinary developments and approaches, designing and evaluating programme outputs should be set up;

(c) ECLAC headquarters should monitor the implementation of this recommendation by applying the established accountability standards to assessing the management performance of the Director (para. 59) (SP-01-004-13).

86. The Director of the Port-of-Spain office, should review the practice of ad hoc assignments and resort to it only in exceptional, well justified cases. In each such case, the importance and urgency of an assignment should be clearly explained to the staff member concerned and necessary adjustments in his or her individual work programme should be taken into account (para. 60) (SP-01-004-14).

87. The Director of the Port-of-Spain office, in consultation with the Santiago headquarters and taking into account the views of the staff, may wish to revisit its structural set-up, with a view to strengthening complementarities and multidisciplinary synergies (para. 61) (SP-01-004-15).

88. The Director of the Port-of-Spain office, in collaboration with the Santiago headquarters and taking into account the proposals of the staff members, should develop a staff training programme for the current biennium (para. 62) (SP-01-004-16).

89. The Director of the Port-of Spain office, jointly with relevant staff, should re-examine the relevance of the recommendations of the self-evaluation report and draw up a plan of action for their implementation, identifying responsibilities for specific implementing actions and establishing appropriate deadlines (para. 63) (SP-01-004-17).

*ECLAC is considering appropriate actions in regard to the recommendations contained in paragraphs 84 to 89.*

90. (a) The Personnel Section should organize training for middle management in the correct interpretation and application of the Staff Regulations and Rules of the United Nations;

(b) The staff at large should be provided with more information on the work of the Appointment and Promotion Committee, the Panel on Discrimination and Other Grievances and the Staff Management Consultation Committee, in order to dispel any misconceptions regarding transparency and fairness in handling staff concerns (paras. 64-65) (SP-01-004-18).

*ECLAC will proceed as recommended.*

91. The Executive Secretary should take energetic and decisive measures to ensure full compliance throughout ECLAC with the established modalities and schedule of PAS. Managers should have a clear understanding that this is one of their primary responsibilities and that they will be held accountable for it (paras. 66-68) (SP-01-004-19).

*ECLAC appreciates the recommendation. The Executive Secretary communicated with directors on several occasions during the past PAS cycle to remind them of the need to comply with this*

*requirement. As to his compliance with the evaluation of the staff under his supervision, although it had been completed long before the time of inspection, it was regrettably stuck in the process of being sent to the Personnel Section (with the Executive Secretary being unaware of this fact). The Executive Secretary is considering increasing his personal involvement on this subject to ensure completion of the PAS cycle in the current exercise. The Personnel Section will monitor progress more decisively.*

(*Signed*) Dileep **Nair**
Under-Secretary-General
for Internal Oversight Services

*Notes*

[1] The importance of ECLAC in the history of ideas in Latin America and the developing countries is underlined in *The Cambridge History of Latin America*, edited by Leslie Bethell: "First structuralism associated to the United Nations. Economic Commission for Latin America, and subsequently dependency theory were distinctly Latin American contributions to development theory. Moreover, they were widely embraced by theorists and policy makers in the Third World at large." (op. cit., 1994, vol. 7, p. 393).

[2] LC/G.1962 dated 15 April 1997, paras. 16-20.

[3] LC/G.1983 dated 28 October 1997, paras. 14-15.

[4] See the ECLAC note on the reform of the management scheme (LC/G.2011 (SES.27/7) dated 31 March 1998).

[5] E/2001/18 dated 16 May 2001, para. 95.

[6] E/1998/65/Add.1 dated 11 June 1998, para. 49.

[7] See "Report on the work of the Commission since May 1998" (LC/G.2073 (SES.28.5) dated 3 March 2000); and "Report of the ad hoc working group established pursuant to resolution 553 (XXVI)" (LC/G.2072 (SES.28/4) dated 29 February 2000).

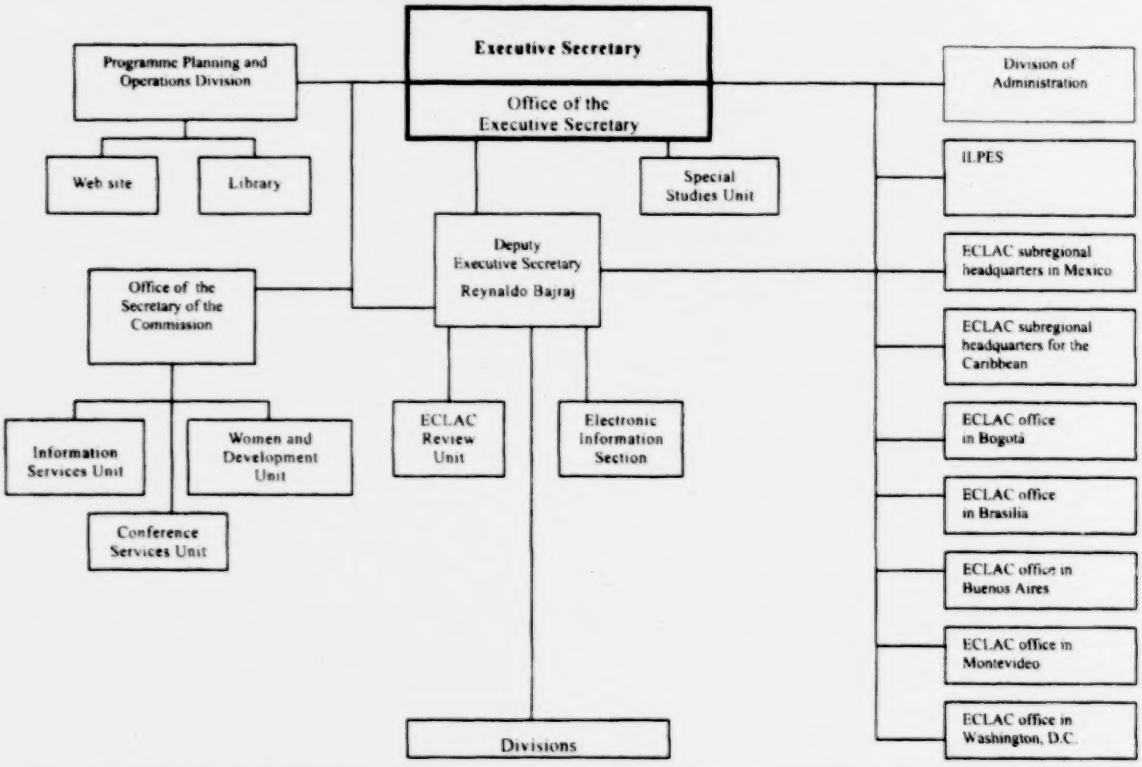
[8] LC/G.2131(GRT.6/3) dated 12 March 2001.

[9] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1), para. 19.12.

[10] Document DDR/1 dated 14 June 1999.

## Annex

# Economic Commission for Latin America and the Caribbean: organization chart




- Economic Development Division
  - Macroeconomic Analysis Unit
  - Development Studies Unit
- Social Development Division
- Division of Production, Productivity and Management
  - Agricultural Development Unit
  - Joint ECLAC/UNIDO Industrial and Technological Development Unit
  - Unit on Investment and Corporate Strategies
- Environment and Human Settlements Division
- Natural Resources and Infrastructure Division
  - Transport Unit
- Statistics and Economic Projections Division
- Population Division (CELADE)
- Division of International Trade
- Documents and Publications Division